

[26 April, 2001]

RAJYA SABHA

Fully Formed T-90S Tanks and 186 Tanks in Completely Knocked Down (CKD) form along with Transfer of Technology for indigenous manufacture in India.

(c) and (d) Strengthening of indigenous defence industry, carrying out constant* Research and Development work and upgradation of fighting equipments in the country is done by various Defence Public Sector Undertakings and Defence Research and Development Organisation, on a continuous basis through existing know how, development of new technologies and through Transfer of Technology wherever required after establishing cost effectiveness.

CAG's Observation Regarding Defence Supplies During Kargil War

4444. SHRI SURESH PACHOURI: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Comptroller and Auditor General (CAG) has observed several instances of delayed delivery, single vendor deals and faulty purchases of ammunition, equipments and clothing during the Kargil war;

(b) if so, the details thereof; and

(c) what action Government propose to take in this regard?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) to (c) With a view to ensuring absolute probity and utmost transparency in defence procurements, the Government has decided that all decisions taken by the Ministry of Defence/Service Headquarters/SOs etc. relating to major defence procurement purchases^award of works etc. of a value of Rs. 75 crore and above would be subject to a time-bound scrutiny/audit by the C&AG and thereafter, wherever considered necessary, formal reference will be made to the Central Vigilance Commission (CVC) for initiating necessary action from disciplinary/vigilance angle. The C&AG has also taken up the cases relating to the emergency procurements for Kargil operation on priority basis. The case files relating to these procurements were sent to C&AG for review. C&AG has observed and some instances of delayed delivery, single vendor deals and faulty purchases of ammunition, equipment and clothing during the Kargil

war. The replies in respect of most of the queries have already been sent to C&AG. The Government is taking all appropriate actions, in an expeditious manner, after careful consideration of all relevant issues raised by the C&AG.

Retired defence officers as Arms Agents

4445. SHRI SURESH PACHOURI: Will the Minister of DEFENCE be pleased to state:

- (a) how many retired defence officers have taken employment as arms agents in private companies during the last three years;
- (b) Government's policy in this regard; and
- (c) if there is no policy, whether Government would formulate any policy not to allow retired senior defence officers to join foreign companies dealing with defence equipments?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) During the last three years no retired defence officer has sought permission for taking up employment as arms agent in private companies.

- (b) A statement is attached. (*See below*)
- (c) Docs not arise.

Statement

Retired defence officers as Arms Agents

As per existing instructions, Defence Services Officers of the rank of Colonel or equivalent and above, who retire with pension, gratuity or any other benefits in respect of the services rendered by them, are required to obtain prior permission of the Government for accepting any commercial employment within a period of two years from the date of retirement. Before granting permission in such cases, Government have to satisfy themselves that:—

- (i) Any officer who has had dealings with a particular firm and its sister concern before his retirement shall not be allowed to take up a job with that firm;
- (ii) Any officer in an appointment dealing with contracts and procurement shall not be allowed to take up a job with a firm